

CONFIDENTIAL
INTELLIGENCE GROUP
ANNUAL REPORT

INTELLIGENCE REPORT

GLADIAK 23

Germany (Russian Zone)

DATE: 25X1

SUBJECT SMA Orders Concerning
and Tar Production

25X1

This document is hereby regraded to
CONFIDENTIAL in accordance with the
letter of 16 October 1978 from the
Director of Central Intelligence to the
Archivist of the United States.
Next Review Date: 2008

DIST. 29
XX September 1947

PAGES 9
SUPPLEMENT

25X1

# X	# X	X				X					
STATE	WAR	NAVY	JUSTICE	R & E	C & D	AAP					

I

To the Head of the Government of the Province of

Order No. 76 of the Supreme Chief of SMAD
Berlin, 3 April 1947

Subject: Production Program for the Gas and Coke Factories of the Soviet Occupation Zone of Germany for the third quarter of 1947

For the purpose of increasing the sources of crude benzol and chemical products from coal tar in the Soviet Occupation Zone of Germany.

I order:

1. The heads of administration of the SMA of the provinces and federated Lands (Bundesländer) to oblige the military commandant of the Soviet Sector of the city of Berlin, the minister presidents of the governments of the provinces and federated Lands, and the Lord Mayor of the city of Berlin;
1. To guarantee the fixed allotment of coal for the year 1947 to gas factories, according to Attachment No. 1, in the following quantities:

2nd Quarter 3rd Quarter 4th Quarter

Federated Land Saxony	120,300 tons	120,300 tons	120,300 tons
Province of Saxony	54,900 tons	54,900 tons	54,900 tons
Federated Land Thuringia	36,900 tons	36,900 tons	36,900 tons
Province of Mecklenburg	17,100 tons	17,100 tons	17,100 tons
Province of Brandenburg	26,100 tons	26,100 tons	26,100 tons

Total for the provinces	255,300 tons	255,300 tons	255,300 tons
For gas factories in Lichtenberge and Weissensee of the city of Berlin	72,100 tons	72,100 tons	72,100 tons
Total for gas factories	327,300 tons	327,300 tons	327,300 tons

Document No. 00
 2 CHANGE in Class

CLASSIFICATION ~~SECRET~~

Class. CHANGED TO: TS S C
DDA Memo, 4 Apr 77 25X1

DDA REG. 77-176
19 APR 1978 By:

REFERENCE CENTER LIBRARY

CONFIDENTIAL
Release 2005/08/07 : C

~~2008/07 : CIA-RDP82-00457R0009000540001-6~~

CONFIDENTIAL

2. To forbid all gas factories of the Soviet Occupation Zone to employ benzol for their own purposes.
3. The entire crude benzol production at the gas factories is to be turned over to the tar working factory in Erkner, the former Rütgerswerke firm; the crude benzol obtained from the Estaw and Morgenstern coke factories is to be processed at the Morgenstern coke factory, according to Attachments 1 and 2.
4. The total coal tar produced by the gas and coke factories is to be consigned to the following tar working factories and to be processed there:

Former firm Rütgerswerke in Erkner, Province of Brandenburg
 Schiewek and Company in Welten, Province of Brandenburg
 Greiner in Döbeln, Federated Land Saxony
 Morgenstern in Zwickau, Federated Land Saxony
 Roofing-paper factories of the Province of Mecklenburg
 according to Attachments 1 and 2.

5. All directors of gas factories have to employ effective measures for freeing the tar of water. The tar is to be sent to the tar processing plant with a water content of not more than 5 percent.
6. All the remaining gas factories which are not mentioned in Attachment 1 have to send their tar to roofing-paper factories according to instructions of the administrations of the provinces and federated lands.
7. All roofing paper factories and the tar distilleries Schiewek in Welten, Riedel in Rostock, and Morgenstern in Zwickau have to send for further processing to the plant of the former Rütgerswerke in Erkner the medium light fraction, up to 240° C., which is obtained in distilling coal tar and crude naphthalene.

II. The governments of the provinces and lands, together with the presidents of the German Administration of the Fuel Industry and Fuel Management:

1. By 1 May 1947 to have repaired the apparatus in 20 gas factories for processing the ammonia water obtained:
 - a. For sulphuric acid ammonia, at the gas factories in the cities Berlin, Dresden, Forst, Jena, Chemnitz, Eberswalde, Feldheim, Meissen, Lühlhausen, Siegmarschönau, Rostock, Weimar, Wiesmar.
 - b. For ammonia solution, at the gas factories in the cities Halle, Magdeburg, Potsdam, Quedlinburg.
 - c. For concentrated ammonia water, at the gas factories in the cities Erfurt, Schwerin, Guben.

By 5 May 1947 the production program for 1947 relating to the production of sulphuric acid, ammonia, ammonia solution, and concentrated ammonia water is to be submitted, by months.

2. Work on the large gas factory in Magdeburg relating to the output of crude benzol of 0.53 and 0.9 percent is to be brought to an end by 1 May 1947.

Control of the execution of this order is assigned to the head of the Administration of the Mining and Foundry Industry of SMAD, Kamashev.

Representative of the Supreme Chief of SMAD

Colonel General P. Kurachkin

Chief of Staff of SMAD

Lieutenant General K. Dratwin

For correctness: Head of the First Section of the General Section of the Staff of SMAD

Major A. Komov

Signed:

A. Komov

For the correctness of the translation:
 Halle, 5 April 1947

REFERENCE CENTER LIBRARY

CONFIDENTIAL

Assignment of Processing Production from Coal Tar, Crude Benzol, Light and Medium Oil, Lignite Coal Tar, and Phenolates
According to Order No. 76 of 3 April 1947 of SMA Germany

NOTE: Light and medium oils from the plants of Schiewek, Riedel, and the Morgenstern Cokery are sent to the Rütgerswerke in Erkner for further processing

Head of the Mining and Metallurgic Industry for SMA Germany

Signed: Kurmashev

Attachment No. 2 to Order No. 76 of the Supreme Chief of SMAD of 3 April 1947

Processing of coal tar, crude benzol, light and medium oils, phenolates from lignite coal tar at the tar processing plants: Erkner (formerly Rütgerswerke), Schiewek and Company in Veltens; Chemical Factory O. Greiner in Döbeln, and the Morgenstern Cokery in Zwickau, in the second, third, and fourth quarters of 1947, in tons

Designation of the products manufactured	R ü t g e r s w e r k in Erkner							Schiewek Greiner Roofing Morgenstern Veltens Döbeln Pauer Zwickau Plants				All plants in II quarter 1947	All plants in 2nd, 3rd, 4th quarter 1947
	Hard Tar Coal	Crude Benzol	Light Oil	Medium Oil	Total Tar Prod.	Crude Phenolates	Stock Leuna Werks with Crude Phen.	Coal Tar				Crude Benzol	
Purified benzol	19.0				19.0		19.0	-	1.0	-	-	20.0	20.0
Pure benzol 80-83°C.	3.0	900.0	6.0	1.0	910.0		910.0	-	-	-	400.0	1,310.0	930.0
Benzol solution I & II	7.0	126.0	2.0	1.0	136.0		136.0	-	9.0	-	55.0	200.0	600.0
Heavy benzol	24.0	36.0	2.0	4.0	66.0		66.0	-	10.0	-	14.0	90.0	270.0
Purified toluol	5.0	125.0			130.0		130.0	-	1.0	-	90.0	221.0	563.0
Pure toluol	7.0	108.0			115.0		115.0	-	-	-	-	115.0	445.0
Xylol	3.0	82.0			85.0		85.0	-	1.0	-	24.0	110.0	330.0
Benzol cleaning oil	400.0				400.0		400.0	-	75.0	27.0	108.0	610.0	1,830.0
Phenol	50.0		1.0	2.0	53.0	58.0	35.0	-	6.0	-	-	152.0	456.0
Cresol	150.0		3.0	8.0	161.0	115.0	44.0	-	18.0	-	-	338.0	1,014.0
American cresol	40.0				40.0		40.0	-	20.0	-	-	60.0	180.0
Crude naphthalene	260.0				260.0		260.0	10.0	60.0	15.0	181.0	526.0	1,578.0
Pitch, prepared tar with pitch, road binder, cable tar, weather proofing, oil for railroad ties, oils for mixing, neurol	6643.0	106.0	21.0	75.0	6,845.0	19.0	32.0	900.0	1,226.0	465.0	2,027.0	62.0	34,728.0
Coumarone tar	18.0		2.0		20.0		20.0	-	-	-	-	20.0	60.0
Purified pyridine	0.3				0.3		0.3	-	-	-	-	0.3	0.9
Heavy pyridine	3.0				3.0		3.0	-	-	-	-	3.0	9.0
Pyridine base (7)	3.0				3.0		3.0	-	0.5	-	-	3.5	10.5
Light oil								12.0		6.0	25.0	43.0	129.0
Medium oil								80.0		40.0	200.0	320.0	960.0
Waste from processing and water content	468.7	92.0			560.7		560.7	1,647.0			29.0	811.2	2,473.2
Total	8,104.0	1,575.0	39.0	93.0	9,811.0	195.0	112.0	1,066.0	1,500.0	600.0	2,570.0	675.0	16,529.0

Field Comment: Schiewek Total No. 514.4

CONFIDENTIAL

To the Minister President

Order No. 62 of the Head of Administration of SMA of the Province of Saxony
Halle, 17 April 1947

Subject: Production Program for Gas and Coke Plants of the Province of Saxony for the third quarter of 1947

In execution of Order No. 76 of the Supreme Chief of SMAD of 3 April 1947, for the purpose of increasing the sources of crude benzol and the chemical production from coal tar in the province of Saxony.

I order:

1. The allotment of coal tar with the announced purpose for the year 1947 is to be guaranteed to gas plants according to the Attachment in the following quantities:
Second quarter: 54,900
Third quarter: 54,900
Fourth quarter: 54,900
2. All gas plants of the Province of Saxony are to be forbidden to utilize benzol for their own needs.
3. The total crude benzol produced by the gas plants of the province is to be sent to the tar processing factory at Erkner, the former Rütgerswerke firm, according to the Attachment.
4. The total coal tar produced by the gas and coke plants is, according to the Attachment, to be sent for further processing to the tar processing plant in Erkner, the former Rütgerswerke firm.
5. All remaining gas plants which are not mentioned in the Attachment to this order have to forward their tar to roofing-board factories according to the distribution of the provincial government, with the confirmation of the Mining and Smelting Industry Section of the Administration of SMA of the Province of Saxony.
6. All roofing-board factories have to forward to the plant of the former Rütgerswerke firm in Erkner for further processing the entire light medium fraction up to 240°C. which is obtained from the distillation of coal tar.
7. The Department of Fuel and Power of the Ministry of Economy and Trade of the province is obliged:
 - a. By 1 May 1947 to put into commission the appliances for processing ammonia water to ammonia solution in the gas plants of the following cities: Halle, Magdeburg, and Quedlinburg;
 - b. By 5 May 1947 to present a production program by months in relation to the processing of ammonia solution.
8. Work on the large gas plant in Magdeburg relating to the obtaining of crude benzol from 0.53 to 0.9 percent is to be completed by 1 May 1947.
9. The control of the execution of this order is assigned to the head of the Department of Mining and Foundry Industry of the Administration of SMA of the Province of Saxony, Pick,

Head of the Administration of SMA of the Province of Saxony
Major General Shlyakhtenko
Chief of Staff of the Administration of SMA of the Province of Saxony

Colonel Pachkov
For correctness: Chief of Chancellery of the Administration of SMA of the Province of Saxony
Captain Molochko
Signed: Molochko

For correctness of the translation:
Halle, 21 April 1947

Trudenthal

CONFIDENTIAL

SECRET

Attachment to Order No. Approved For Release 2003/08/07 : CIA-RDP82-00457R000900540001-6, 17 April 1947

Production of Coal Gas and Crude Benzol in the Gas and Coke Plants of the Province of Saxony in 1947 (in tons)

Location of the Plant	Processing of Hard Coal		Production of Hard Coal Tar		Production of Crude Benzol			Receiver of Coal Tar	
	2nd Quarter 1947	2nd, 3rd, 4th Quarters 1947	% of coal	2nd Quarter 1947	2nd, 3rd, 4th Quarters 1947	% of coal	2nd Quarter 1947		2nd, 3rd, 4th Quarters 1947
Magdeburg	31,500	94,500	2.8	880	2,640	0.7	216	648	Rütgerswerk Erkner
Halle	10,500	31,500	3.5	368	1,104	0.6	63	189	
Bernburg	1,800	5,400	3.5	63	189	-	-	-	
Delitzsch	1,500	4,500	3.5	53	159	0.4	6	18	
Halberstadt	2,400	7,200	3.5	84	252	0.5	12	36	
Quedlinburg	1,800	5,400	3.5	63	189	-	-	-	
Stendal	2,400	7,200	3.5	84	252	0.5	12	36	
Torgau	1,200	3,600	3.5	42	126	0.5	6	18	
Wittenberg	1,800	5,400	3.5	63	189	0.5	9	27	
	54,900	164,700		1,700	5,100		324	972	

By authority of the Head of the Department for Mining and Metallurgic Industry of the Administration of SMA for the Province of Saxony

Signed: Guards Major Pick

By authority of the Engineer of the Department for Mining and Metallurgic Industry of the Administration of SMA for the Province

Signed: Engineer Major Sanosyan

~~SECRET~~

25X1

CONFIDENTIAL

25X1

III

To the Minister President

Order No. 93 of the Supreme Chief of SMAD -- Commander in Chief of the Group of Soviet Occupation Forces in Germany
Berlin, 24 April 1947

Subject: Directorate of the Coal Industry of the Soviet Occupation Zone of Germany

In development of my Order No. 323 of 20 November 1946 and for the purpose of determination of the work of the Directorate of the coal industry in the governments of the provinces and federated Lands (Bundesländer) of the Soviet Occupation Zone of Germany

I order:

1. The "Decree concerning the directorate for guidance of the coal industry of the Soviet Occupation Zone of Germany".
2. The minister presidents of the governments of the provinces and Federated Lands are to assign for the economic accommodation of the Directorate (procurement of inventory, vehicles, etc.) from their economy 650,000 RM, thus:
 - a. For the directorate of the Province of Saxony-Anhalt 250,000 RM
 - b. For the directorate of the Province of Brandenburg 150,000 RM
 - c. For the directorate of the Federated Land of Saxony 150,000 RM
 - d. For the directorate of the Federated Land of Thuringia 100,000 RM
3. The head of the Financial Administration of SMAD of the German Administration for the Fuel Industry, according to the administration budget, is allotted 200,000 RM for procuring vehicles.

The Supreme Chief of SMAD -- Commander in Chief of the Group of Soviet Occupation Forces in Germany

Marshal of the Soviet Union V. Sokolovski
Chief of Staff of the SMAD

Lieutenant General Dratvin

For correctness: Chief of the First Section of the General Section of the Staff of SMAD, Major Komov

Signed: Komov

For the correctness of the translation:
Halle, 29 April 1947

Trudenthal
Interpretress

Attachment to Order No. 93 of the Supreme Chief of SMAD of 24 April 1947

Coordinated:

Head of the Administration of Mining and Foundry Industry of SMAD

P. Kurmashev
23 April 1947

DECREE

Concerning the Directorate for Guidance of the Enterprises of the Coal Industry Under the Government

1. General Definitions

1. For guidance of the enterprises of the coal industry and for strengthening of organizational-economic activity of these enterprises the Directorate (Administration) of the Coal Industry is to be formed in ...
2. The Directorate embodies the organizational and technical leadership of the coal industry, plans and organizes the obtaining of coal and production of briquettes, controls and insures the fulfilment of production programs, and looks after the observance of fixed prices for production.
3. The Directorate, as authorized organ of the government, unites the coal firms which belong and bears full responsibility for the organizational-technical and economic-financial activity of these firms.

CONFIDENTIAL

~~SECRET~~

25X1

CONFIDENTIAL

The Directorate embodies likewise the operational leadership, planning, and control of the work and fulfillment of production programs of coal enterprises which belong to German joint stock companies and private persons.

4. In the Directorate there exists for the guidance of the coal business a consultative council of the Directorate. The function of this council is established in a special decree.

II. Functions of the Directorate

The principal functions of the Directorate are:

1. General administrative, technical, economic, and financial guidance of the work of coal pits, open pit mines, briquette factories, and enterprises of the system of the coal industry.
2. The working out and setting up by the organs decreed for establishment of monthly, quarterly, and annual production and financial plans in relation to obtaining coal, production of briquettes, and other types of production, and for informing the enterprises of these plans.
3. The organization of the work of open-pit mines, pits, briquette factories, and other undertakings of the coal industry system and the insurance of fulfillment of the production programs set.
4. The working out of measures for the introduction of a new technique into the coal industry and for improvement of technological processes, the organization of labor and the working out and realization of measures for the highest utilization of production capacities of the current installations, open-pit mines, pits, and briquette factories.
5. Working out and implementation of plans for the re-starting, the re-construction, and the new construction of pits, open-pit mines, and briquette factories, the development of new coal sources, and the accomplishment of geologic research work.
6. Working out and implementation of a planned supply for the firms of the coal industry of equipment, material, and spare parts; distribution by deliveries of equipment and spare parts. The organization of their own repair shops for the production of spare parts and equipment.
7. The selection and training of special workers for the firms of the coal industry; the supplying of firms of the coal industry with labor; the normalization of labor and labor hiring and the organization of general labor terms.
8. The carrying out of controls of financial activity of firms of the coal industry. The establishment of finance and credit plans and the insurance of financing repair work and construction of new coal firms.
9. The establishment of accounting reports on coal enterprises and publication of annual and quarterly accounting reports on production and financial activity of the manager-owners and organization which it covers.

III. Property of the Directorate

1. The property of the Directorate consists of the assets of the firms which belong to the Directorate system and are directly under it, and of property which is made available by the government for capital expenditures.
2. The circulating assets of the Directorate are formed from the circulating assets of the firms which belong to the Directorate system and from the property which is assigned to the Directorate according to the budget, from profits and subsidies.
3. The Directorate uses bank credits according to established rules. Credit is secured by goods and material assets of the Directorate.
4. The Directorate implements the distribution of current assets to the enterprises it covers.
5. The firms belonging to the Directorate system work on the principle of profit.

~~SECRET~~

CONFIDENTIAL

~~SECRET~~

~~CONFIDENTIAL~~

25X1

IV. Structure of the Directorate

1. At the head of the Directorate stands the general director, who has two directors as deputies for his assistance.

The general director and his deputies are named by the government of the province (federated Land) after approval of the president of the German Administration for the Fuel Industry. They establish at the same time the conditions of working contracts with the members of the Directorate, and the payment of their labor.
2. The general director and his deputies exercise leadership over the firms of the coal industry according to the provisions of the orders that have been issued and of labor ordinances.
3. The general director established the labor order of the Directorate and presents it for confirmation to the government of the province (federated Land) of and to the president of the German Administration for the Fuel Industry.
4. The structure of the organization of the Directorate is the following:

Section I - Planning Section
 Section II - Plant Section
 Sub-Section A - Coal Extraction
 Sub-Section B - Briquette Production
 Sub-Section C - Power Economy
 Sub-Section D - Mechanics (including technics of repairs)
 Section III - Technical Section
 Section IV - Construction Section
 Section V - Material Technical Supply
 Section VI - Section for Labor, Wages, and Social Welfare
 Section VII - Finance Section
 Section VIII - Personnel Section
 Section IX - General Section

At the head of each section is a section chief who has an assistant.

5. The Directorate has plenipotentiaries with the cadre on the periphery..

The cadre of the plenipotentiaries is made up of the same sections as the Directorate, except for the difference that the sections among the plenipotentiaries are smaller in size. They can be combined, according to the extent of the work.
6. The plenipotentiaries of the Directorate are under the control of the administration of the plants which are headed by the Directorate. The Directorate has an agent (trustee) or several agents at its disposal. The director of the plant and the agents are responsible for the plenipotentiaries of the Directorate in respect to business orders which are established by the Directorate for the director of the factory.
7. The individual enterprises are enlarged on the basis of mining, economic, or general economic and geologic considerations and under the administration of the respective factory.

V. Obligations

1. The obligations assumed by the Directorate must be in written form. They must be signed with the designation "general director" by the general director and one of his deputies or by an agent authorized to sign.
2. For obligations not exceeding 50,000 RM, the signature of a member of the directorate and of an agent is required.

Factory and Directorate representation and also the right of signature of proper persons in the field of work are established by the Directorate in the working regulations it sets up.

~~SECRET~~

~~CONFIDENTIAL~~

~~SECRET~~

CENTRAL INTELLIGENCE GROUP

-9-

~~CONFID~~

VI. Economic Activity

1. Fiscal Year

The fiscal year is the calendar year.

2. Budget

The basis of economic administration is the budget, which is set up by the Directorate for each fiscal year in relation to income and expenditures and which, together with the current plans, is submitted to the government of ... and to the president of the German Administration for the Fuel Industry.

- b. Expenditures which are not provided for in the budget can be defrayed only with the agreement of the government of the province (federated Land) and the president of the German administration for the fuel industry. Together they make up the sum which is allotted for expenditures without special permission.

3. Annual Balance

The Directorate sets up an annual accounting, a balance, a profit and loss accounting, and submits it for confirmation to the government on a fixed date.

4. Reserve Fund for Coverage of Losses

For coverage of losses a reserve fund is formed so that remittances are made from the annual net profit to this fund in an amount which is fixed by the government of the province (federated Land) ... together with the president of the German Administration for the Fuel Industry.

The remittances continue until this fund has reached a tenth of the capital shown in the first balance.

5. Distribution of Profits

The profits established on the basis of the usual profit and loss accounting, are, after approval of the accounting, distributed by the government, the Directorate, and the German administration for the fuel industry.

The part of the profits which is not used is remitted to the economy of the province in accordance with the production and financial plan.

VII. Conclusion

1. This ordinance can be amended by the government of the province (federated Land) ... in agreement with the president of the German Administration for the Fuel Industry and with confirmation of the head of the Administration of Mining and Foundry Industry of the SEAD.
2. The Directorate has a seal with its name, of which the design is determined by the government.
3. The seat of the Directorate is ...

President of the German Administration for the Fuel Industry

Sobottka

For correctness: Head of the First Section of the General Section of the Staff of SEAD

Major A. Komov

Signed: Komov

~~SECRET~~

CONFIDENTIAL